


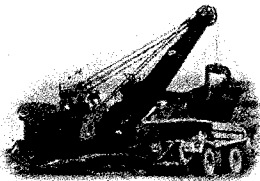
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## Coal Severance Tax: Coal Severance Tax Trust Funds: Current & Historical Perspectives

A Presentation to the  
Montana Legislature  
By

Terry W. Johnson  
Principal Fiscal Analyst  
Legislative Fiscal Division


January 23, 2007




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## Introduction

- Coal Severance Tax Facts
- Historical Information
- Coal Severance Tax Distributions
- Tax Revenue & Investment Earnings
- Distribution of Trust Earnings
- Permanent Trust Fund Balance
- Permanent Trust Fund Investments




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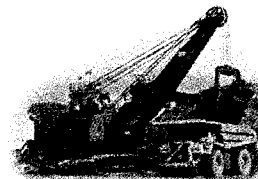
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Severance Tax and Interest			
Fiscal Year	Severance Tax Revenue Millions	Interest Revenue Millions	Total Millions
1976	\$23.965		\$23.965
1977	35.908	\$0.067	35.973
1978	34.372	0.517	34.889
1979	42.689	0.767	43.456
1980	75.125	1.117	76.242
1981	70.415	9.650	80.065
1982	86.187	15.892	102.078
1983	80.045	31.611	111.656
1984	82.823	30.786	113.610
1985	91.749	38.859	130.608
1986	84.217	52.187	136.404
1987	76.547	55.714	132.261
1988	84.638	44.520	129.159
1989	58.586	44.887	103.453
1990	67.871	48.570	116.441
1991	50.458	49.043	99.501
1992	54.114	49.777	103.891
1993	38.181	53.175	91.356
1994	41.201	44.199	85.400
1995	40.416	40.121	80.538
1996	36.261	48.070	82.331
1997	37.740	44.513	82.253
1998	35.045	46.241	81.287
1999	36.767	46.953	83.721
2000	35.470	45.566	81.036
2001	32.337	45.200	77.538
2002	31.614	46.465	78.079
2003	29.424	45.796	75.220
2004	31.545	45.924	77.469
2005	37.635	48.048	85.683
2006	35.822	43.285	79.106
Total	\$1,599.144	\$1,115.520	\$2,714.664



### Coal Severance Tax Percentage Allocations

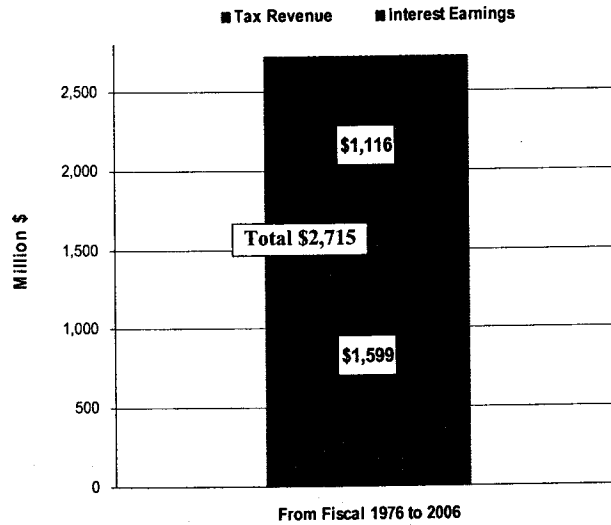
Fiscal 2005

Fiscal 2006 & After

Total Coal Tax Collections		
50.00%	Coal Severance Tax Trust	50.00%
27.40%	General Fund (the remainder)	26.79%
12.00%	Long-range Building Program	12.00%
7.75%	Local Impact (Coal Board) (prior to fiscal 2006) Montana Growth Through Agriculture Conservation Districts State Library Commission	5.46%
0.00%	Oil, Gas & Coal Natural Resources	2.90%
1.27%	State Parks Trust	1.27%
0.95%	Renewable Resource Debt Service Fund	0.95%
0.63%	Cultural Trust	0.63%



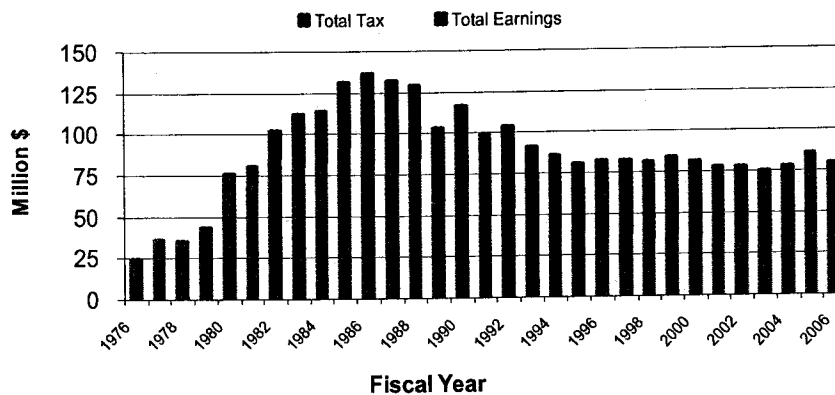
## Cumulative Coal Severance Tax Impacts Tax Collections & Interest Earnings



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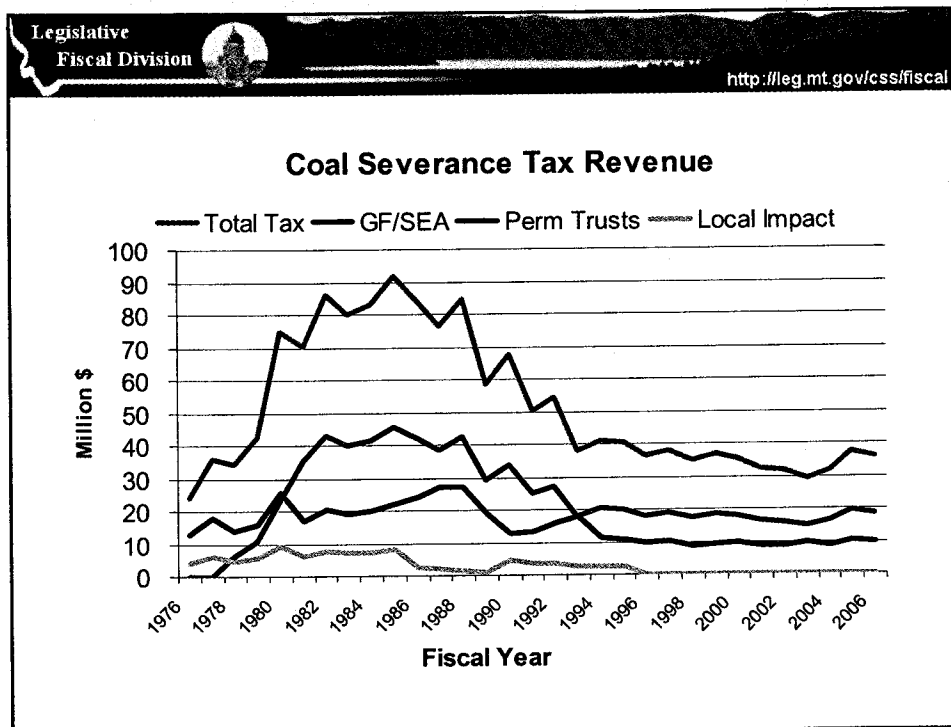
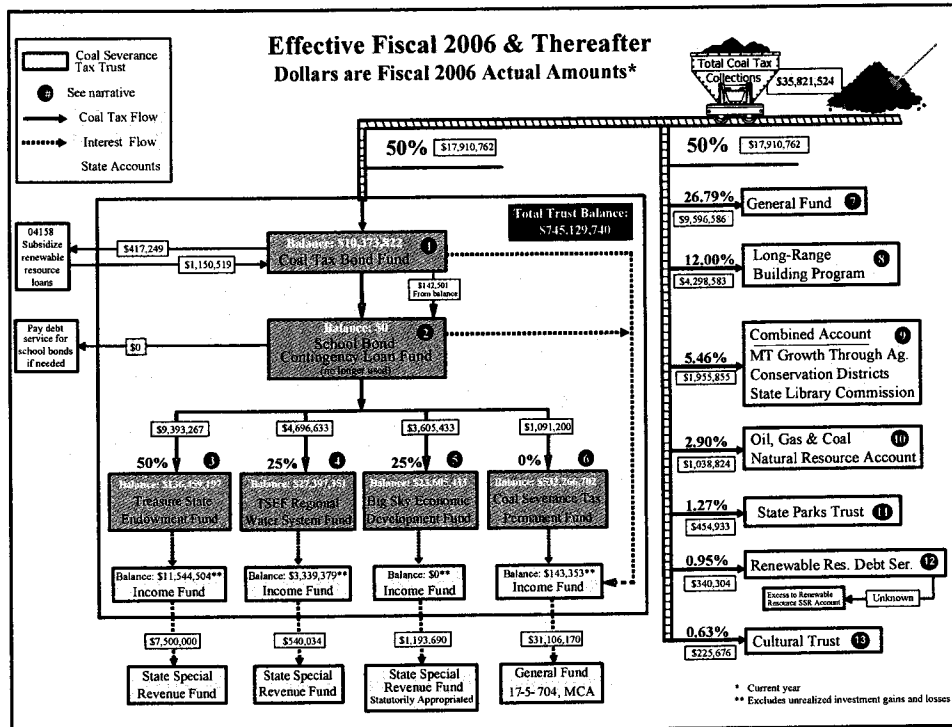


## Coal Trust\* Earnings & Severance Tax Revenue Collections



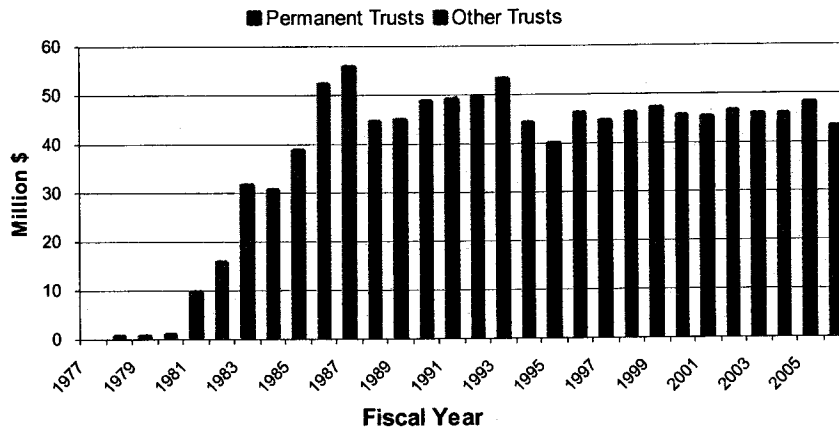
\* Education, FWP, Arts, Permanent, Treasure State Endowment,  
Treasure State Endowment Regional Water, Big Sky Econ.  
Development

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### Source of Coal Trust Earnings

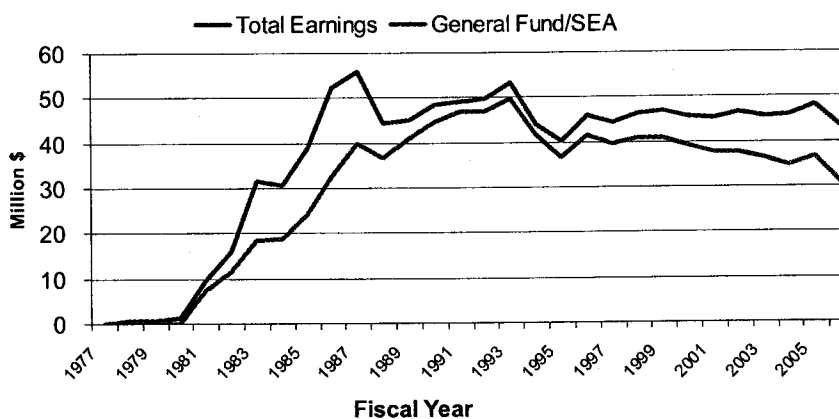


\* Note: Permanent trusts are Permanent, Treasure State Endowment, Treasure State Endowment Regional Water, Big Sky Econ. Development. Other trust are Education, FWP, Arts

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### Distribution of Coal Trust\* Earnings



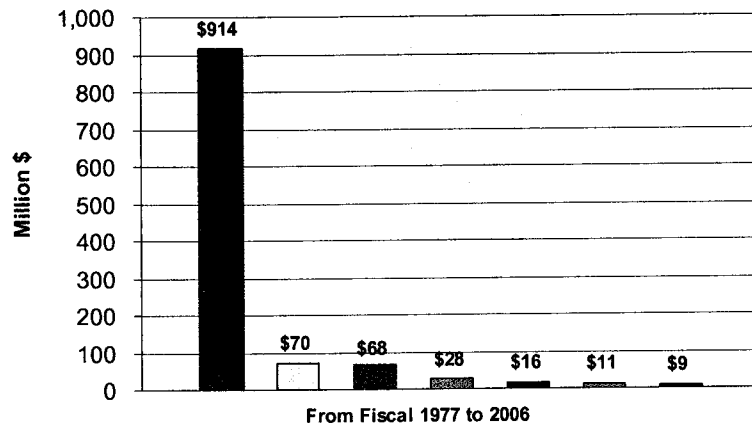
\* Education, FWP, Arts, Permanent, Treasure State Endowment, Treasure State Endowment Regional Water, Big Sky Econ. Dev.

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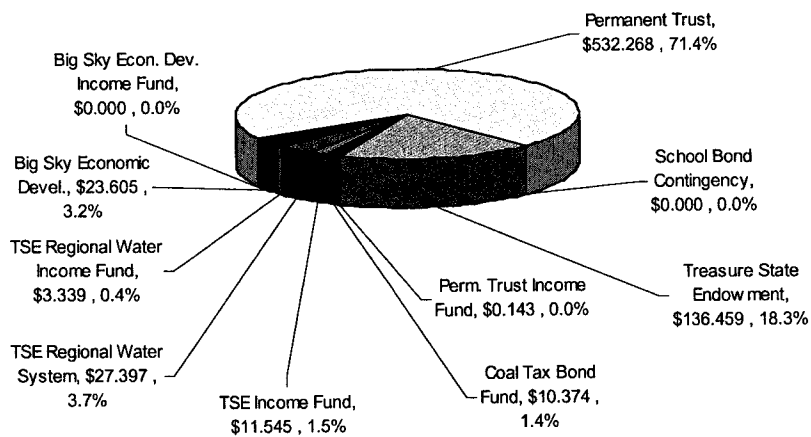
### Distribution of Coal Trust Earnings

■ General Fund/SEA □ Education ■ TSE ■ FWP ■ Coal Trust ■ Arts ■ Other



### Coal Severance Tax Trust Fund Balance

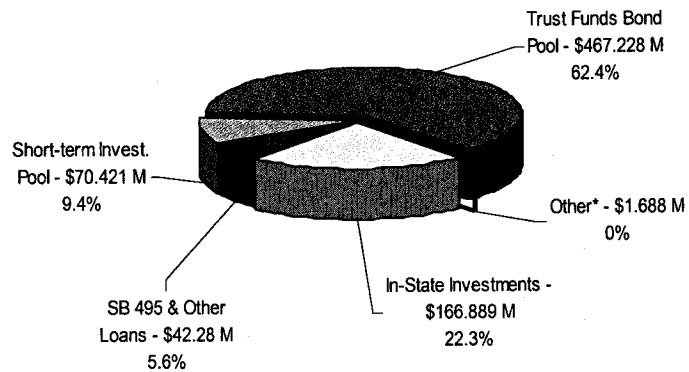
**\$745.130 Million**  
(June 30, 2006)





### Coal Severance Tax Trust Fund Investments

**\$745.130 Million**  
(June 30, 2006)



\* Receivables, payables